

**IN THE UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF GEORGIA
MACON DIVISION**

IN RE:

TERI G. GALARDI,

Debtor.

CHAPTER 11

CASE NO. 22-50035-JPS

**MOTION TO LIMIT RESERVE REQUIREMENTS UNDER THE LIQUIDATING
TRUST AGREEMENT FOR CLAIMS NO. 57 AND 110**

Thomas T. McClendon, as Liquidating Trustee of the Galardi Creditors Trust (the “Liquidating Trustee”), hereby moves the Court for an order limiting the requirement to withhold funds to pay a distribution under Proofs of Claim 57 and 110, and in support states as follows:

1. The Court has jurisdiction over this motion pursuant to Article 9.1(a) (retention of jurisdiction over disputes with respect to Claims), (e) (retention of jurisdiction over the making of distributions under the Plan), and (m) (retention of jurisdiction over all matters regarding or related to the administration of the Galardi Creditors Trust).

2. On January 12, 2022 (the “Petition Date”), the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in this Court (Doc. No. 1).

3. On April 14, 2023, the Court entered an *Order Confirming Joint Plan of Reorganization* (Doc. No. 410) (the “Confirmation Order”). Pursuant to the Confirmation Order, the Liquidating Trustee was appointed to oversee the Galardi Creditors Trust for the benefit of unsecured creditors under Class 8 of the plan.

4. On May 10, 2023, the Liquidating Trustee objected (Doc. No. 428, the “Objection”) to proof of claim number 57 filed by Astrid E. Gabbe in the amount of \$163,956.32 for

“contingency fees earned from the attached Final Judgment from Darden v. Fly Low and Galardi Case No. 20-cv-20592-MGC.” Claim No. 57 at 2.

5. The basis for the Objection was that it duplicated Claim No. 110.

6. Ms. Gabbe responded, objecting to the disallowance of her claim and asserting that Claim No. 110 should be reduced accordingly.

7. A hearing was held on June 21, 2023. At the hearing, all parties agreed that only \$468,446.62, the amount of Claim No. 110, should be paid, but the parties disagreed on whether that should be accomplished by disallowing Claim No. 57 or reducing Claim No. 110 by the amount of Claim No. 57.

8. The Court continued the hearing for a period of time while a preference action regarding Claim No. 110 was adjudicated.

9. Under the Trust Agreement for the Galardi Creditors Trust,

The Liquidating Trustee shall establish a reserve fund (the “Disputed Claims Reserve”) for payment by the Liquidating Trustee of all Disputed Class 8 Unsecured Claims participating in the Trust. Each time a distribution is made to any Class 8 Unsecured Claim so participating, the Liquidating Trustee shall deposit into the Disputed Claims Reserve an amount equal to the distribution each holder of a participating Disputed Class 8 Unsecured Claim would have received were the face of amount of its Disputed Class 8 Unsecured Claim been an Allowed Claim.

10. Because the Court has continued the hearing on Claim No. 57, unless this motion is granted, the Liquidating Trustee would be required to withhold funds sufficient to pay Claim No. 57.

11. Because all parties agree that the amount to be paid from the Galardi Creditors Trust will be \$468,446.62, the Liquidating Trustee requests that the Court enter an order authorizing him to withhold only \$468,446.62 for Claims No. 57 and 110, rather than the combined total of \$632,402.94 for the two claims.

WHEREFORE, the Liquidating Trustee respectfully requests that the Court grant this motion and grant the Liquidating Trustee such other and further relief as the Court deems just and proper.

Respectfully submitted this 23rd day of June, 2023.

JONES & WALDEN LLC

/s/ Thomas T. McClendon

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Liquidating Trustee

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CERTIFICATE OF SERVICE

This is to certify that on this day the foregoing *Motion to Limit Reserve Requirements Under the Liquidating Trust Agreement for Claims No. 57 and 110* (the “Motion”) was electronically filed using the Bankruptcy Court’s Electronic Case Filing program which sends a notice of and an accompanying link to the Motion to the following parties who have appeared in this case under the Bankruptcy Court’s Electronic Case Filing Program:

- **Michael Akemon** mutepe.akemon@richardslegal.com
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- **Christopher W. Terry** chris@boyerterry.com, terrycr40028@notify.bestcase.com
- **U.S. Trustee - MAC** Ustp.region21.mc.ecf@usdoj.gov

I further certify that on the date indicated below, I caused a true and correct copy of the Motion to be served upon the following parties listed below via U.S. First Class Mail, postage prepaid:

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The Law Office of Astrid E. Gabbe P.A.
P.O. Box 4216
Hollywood, FL 33083

Red Shield Funding
c/o Joseph Guernsey
4681 Carvel Court
Myrtle Beach, SC 29588

This 23rd day of June, 2023.

JONES & WALDEN LLC

/s/ Thomas T. McClendon

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Liquidating Trustee